


JULY 11, 2008

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JULY 11, 2008, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 5:00 P.M. ON JULY 11, 2008.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGE 1 TO 2; SURFACE ACTIONS AS LISTED ON PAGES 3 TO 8; DEVELOPMENT ACTIONS AS LISTED ON PAGES 9 TO 16; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 16.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON FRIDAY, JULY 25, 2008. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

APPROVAL OF MINERAL LEASE APPLICATION FOR HUMIC SHALE

ML 51344 (SCH)
 Red Cliff Mining, Inc.
 321 So. 100 East
 P.O. Box 576
 Emery, UT 84522

T22S, R19E, SLB&M.
 SEC. 14: ALL

Grand
 640.00 acres

The Minerals Staff has negotiated a mineral lease for Humic Shale upon the above-described trust lands. The applicant is qualified to do business in Utah and has submitted the required \$30 filing fee, plus payment of \$640 for the required first year annual rental @ \$1 per acre. In addition to rentals and fees, the applicant also submitted payment of \$6000 for the first-year annual minimum royalty negotiated under the proposed contract. Said minimum annual royalty amount shall be due and payable on or before each anniversary date of the lease. The lease shall require payment of production royalties at the rate of 10% Gross Value, f.o.b. mine, of the leased substances produced, but not less than \$6 per ton. The lease shall have a primary term of ten (10) years and shall be issued using the Agency's generic mineral lease form. The lessee shall be required to obtain a DOGM Mining Permit and reclamation bond prior to commencing any operations on the lands. Current land use is grazing and oil & gas leasing. The production of Humic Shale from the lands may generate significant royalty revenues and is in the best interest of the Trust.

Upon recommendation of Mr. Blake, the Director approved the application.

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 15% interest in and to the lease listed below ***Evergreen HBP, LP*** (1/3 of 15% or 5% of 100%) 4605 Post Oak Place, Suite 100, Houston, TX 77027; ***Focus Energy LLC*** (1/3 of 15% or 5% of 100%), 730 17th Street, Suite 6710, Denver, CO 80202; ***Gary L. Kornegay*** (45% of 1/3 of 15% or 2.25% of 100%), P.O. Box 841286 Houston, TX 77084; ***Paul G. Hendershott*** (35% of 1/3 of 15% or 1.75% of 100%), 2724 Ferndale Street, Houston, TX 77098, and ***HAO Li*** (20% of 1/3 of 15% or 1% of 100%), 21415 Grand Hollow Lane, Katy, TX 77450, by Thames River LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty. (***REFUND: \$50 – overpayment of filing fees to Dave Terry, 3402 Evergreen Place, Salt Lake City, UT 84106.***)

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

ENERPLUS RESOURCES (USA)
 CORPORATION - 85%,
THAMES RIVER, LLC - 15%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ENERPLUS RESOURCES (USA)
 CORPORATION - 85%,
EVERGREEN HBP, LP - 5%,
FOCUS ENERGY LLC - 5%,
GARY L. KORNEGAY - 2.25%,
PAUL G. HENDERSHOTT - 1.75%,
HAO LI - 1%

....ML 50139 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in and to the leases listed below to Chief Exploration & Development LLC, 5956 Sherry Lane, Suite 1500, Dallas, TX 75225, by International Petroleum Limited Liability Company, who reserves 5% overriding royalty. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:***RECORD TITLE:***

***INTERNATIONAL PETROLEUM LIMITED
LIABILITY COMPANY - 100%***

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

***INTERNATIONAL PETROLEUM LIMITED
LIABILITY COMPANY - 50%,
CHIEF EXPLORATION & DEVELOPMENT
LLC - 50%***

....ML 50194 (MH)....ML 50204 (SCH)....ML 50225 (SCH)....ML 50226 (SCH)....ML 50229 (SCH)....
....ML 50230 (SCH)....ML 50808 (SCH)....ML 50860 (SCH)....ML 50861 (SCH)....ML 50864 (SCH)....
....ML 50866 (SCH)....ML 50867 (SCH)....ML 50868 (SCH)....ML 50869 (SCH)....ML 50981 (SCH)....
....ML 50982 (SCH)....ML 51204 (SCH)....ML 51218 (SCH)....ML 51222 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in and to the leases listed below to Chief Exploration & Development LLC, 5956 Sherry Lane, Suite 1500, Dallas, TX 75225, by International Petroleum Limited Liability Company, who reserves 2.5% overriding royalty. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:***RECORD TITLE:***

***INTERNATIONAL PETROLEUM LIMITED
LIABILITY COMPANY - 100%***

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

***INTERNATIONAL PETROLEUM LIMITED
LIABILITY COMPANY - 50%,
CHIEF EXPLORATION & DEVELOPMENT
LLC - 50%***

....ML 50815 (SCH)....ML 50818 (SCH)....ML 50821 (SCH)....ML 50823 (SCH)...

S U R F A C E A C T I O N S

GRAZING PERMITS

RENEWAL OF GRAZING PERMITS

The following grazing permits have been renewed for a period of 15 years, beginning July 1, 2008, and expiring June 30, 2023.

<u>Permit #</u>	<u># Acres</u>	<u># AUMs</u>	<u>County(s)</u>	<u>Fund(s)</u>
GP 21914-08	6,766.06	1,404.00	Cache	University, Reservoirs, School
GP 22209-08	1,272.58	64.00	Uintah	School
GP 22300-08	9,930.86	706.00	Juab	School, Reservoirs
GP 22349-08	957.56	57.00	Sevier	School, Normal School
GP 22411-08	681.88	24.00	Beaver	School
GP 22911-08	160.00	9.00	Garfield	School
GP 22922-08	16,015.04	624.00	Emery	School
GP 23226-08	6,493.34	269.00	Garfield	School

Upon recommendation of Ms. Paula Lane the Director approved the renewal of these permits.

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 325 - WITHIN GP 22355-08 & GP 23255 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Matthew Wood
525 Cedarwood Terrace
Cedar City, UT 84720

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T31S, R15W, SLB&M
Section 32: All

T32S, R16W, SLB&M
Section 36: All

T33S, R17W, SLB&M
Section 2: All

COUNTY: Iron

FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to aerially apply "Spike 20P" herbicide (0.4 lbs. active ingredient per acre) to approximately 1,380 acres of trust lands over a four-year period. The plan is to reduce sagebrush canopy cover by 50 percent. The project is being cost-shared by the USDA – Natural Resources Conservation Service ("NRCS").

RANGE IMPROVEMENT PROJECT NO. 325 - WITHIN GP 22355-08 & GP 23255 (APPROVAL)
(CONTINUED)

RELEVANT FACTUAL BACKGROUND:

On April 3, 2008, the applicant submitted a proposal for this range improvement project. A search of the Administration's records was made to determine the status of the area involved. The grazing permits of record on the affected areas are GP 22355-08 and GP 23255, which are in the name of the above-listed applicant. There are no other records on file.

This type of project is exempt from the Resource Development Coordinating Committee ("RDCC") after consultation with the Utah Division of Wildlife Resources ("UDWR"). A letter describing this project was sent to the UDWR on April 9, 2008, asking for concerns or comments regarding this project. The UDWR did not respond to this letter.

Funding of this project is being cost-shared by the NRCS (75% - \$20,700) and the permittee (25% - \$6,900). The \$6,900 will be amortized. Following is a flat rate amortization schedule (NRCS Schedule) for this project if the Trust Lands Administration cancels the grazing permit before this project is fully amortized. If the permittee sells or allows the permit to expire or to be canceled due to his own failure, then the amortization schedule will be canceled.

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Year Fully Amortized
Spike 20P Herbicide	\$6,900	15	2008	\$460/year	2023

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed range improvement fills a critical need for increasing forage quantity for livestock and will enhance the value of the range.

Based on the above information and upon recommendation by Mr. Ron Torgerson, the Director approved Range Improvement Project No. 325. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT APPLICATION NO. 250 (CANCELLATION)

Range Improvement Project Application No. 250, in the name of J. K. Allred, P.O. Box 192, Cleveland, UT 84518, is being canceled. The land involved with this project is scheduled to be exchanged, making this project in non-compliance with R850-50-1100(5)(a) and (b). Carbon County. University and Reservoirs Fund.

Based on the above information and upon recommendation by Mr. Scott Chamberlain, the Director approved the cancellation of Range Improvement Project Application No. 250.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5201

On March 28, 2008, the Director approved Special Use Lease No. 1575 for EnCana Oil & Gas (USA) Inc., 2717 CR215, Ste 100, Parachute, CO 81635, to construct, operate, and maintain a natural gas compressor station (Bullhorn Compressor). Because the lease language of SULA 1575 has not yet been approved, the Trust Lands Administration granted a right of entry to occupy this land until the document for SULA 1575 is executed. The term of this right of entry is 60 days, beginning July 1, 2008, and expiring August 29, 2008, or until SULA 1575 is executed, whichever comes first.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund.

This item was submitted by Mr. Kurt Higgins for record-keeping purposes.

SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE AGREEMENT NO. 1554 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Mohave County Public Works
Flood Control District
Attn: Nicholas S. Hont, PE
P.O. Box 7000
Kingman, AZ 86402

APPLICATION TYPE: GOV

TERMS: 51 YEARS

BEGINNING DATE: August 1, 2008

ENDING DATE: July 31, 2059

NEXT REVIEW DATE: August 1, 2013

FIRST YEAR RENTAL: \$ 400.00

APPLICATION FEE: 250.00

PROCESSING FEE: 700.00

ADVERTISING FEE: \$ 300.00

TOTAL SUBMITTED: \$1,650.00

LEGAL DESCRIPTION:

Township 42 South, Range 20 West, SLB&M
Section 36: W½N½NE¼SE¼NE¼

COUNTY: Washington ACRES: 2.50 FUND: School

PROPOSED ACTION:

The applicant desires to lease this land for a weather station site.

RELEVANT FACTUAL BACKGROUND:

On September 27, 2007, the Trust Lands Administration received Special Use Lease Application No. 1554 from Mohave County Public Works, Flood Control District, for a weather station site that will be used in conjunction with several other sites to monitor storm activity which will assist in flood control. The application and advertising fees were paid and receipted appropriately. There are no existing permits within this section. A copy of the public notice was sent to all adjoining landowners. No competing applications or comments were received from this notification. The application was submitted for review to the Resource Development Coordinating Committee ("RDCC"). No comments were received from this review process.

SPECIAL USE LEASE AGREEMENT NO. 1554 (APPROVAL) (CONTINUED)

Initial consultation with the Trust Lands Administration's archaeologist resulted in a recommendation that a cultural resource survey be required. A survey was completed which resulted in a determination of "No effect of historic properties."

EVALUATION OF FACTS:

A cultural resource survey of the area has been completed which indicated that there would be "no effect" on any historic or cultural sites. This survey has been reviewed by State History and the Trust Lands Administration's staff archaeologist, who concur with the findings. Therefore, all requirements pursuant to R850-60 have been met.

This action is exempt from the narrative Record of Decision process because the action is not substantive, nor does it warrant the time and expense necessary to complete a full narrative record, and the action will not restrict an interested party access to an appeal process. The application was advertised through the standard process and no competing applications or comments were received.

As no other competing applications were received, the initial application was selected for review pursuant to R850-30-500(2)(g). The applicant was notified of the need to submit a sealed bid pursuant to rule. A bid was received which proposes to pay rental in the amount of \$400.00 per year.

R850-30-400 requires that the Trust Lands Administration receive at least fair market value for surface leases. A preliminary analysis indicates market value of \$200.00 to \$300.00 per acre. Based on this land value, the annual lease payment offered by the applicant of \$400.00 per year meets the fair market value requirements established by rule.

The applicant requested a term of years 51 years. This term is within the standard term for government leases described in R850-30-200.

Upon recommendation of Mr. Lou Brown, the Director approved SULA 1554 for a term of 51 years, with a five-year rental review pursuant to R850-30-400(4). Based on the above evaluation, this summary will constitute the Record of Decision.

SPECIAL USE LEASE AGREEMENT NO. 1332 (THREE-YEAR REVIEW)

SULA 1332 is leased to Utah National Guard, Camp Williams, Attn: Operations NCO, 1700 Camp Williams Rd., Riverton, UT 84065. This is a governmental lease for a field artillery training range in Beaver County. School Fund.

1. ANNUAL RENTAL:

The three-year review date for this lease is August 1, 2008. The subject property is used for a field artillery training range. Based on a preliminary analysis of the lease rental pursuant to Board policy, it was determined that the value of the subject property is approximately \$300.00/acres with a total value of \$192,000.00. This amount is considerably more than the training value of the subject property which is only used two to three times each year for very short periods of time.

As the lessee has agreed to amend the lease to include a termination clause which will allow the lease to be terminated at any anniversary date with 90 days notice, the annual rent will be maintained at a level consistent with the limited use of the property for annual training events.

SPECIAL USE LEASE AGREEMENT NO. 1332 (THREE-YEAR REVIEW) (CONTINUED)

Based on the above discussion, it is recommended that the CPI index be used to adjust the annual rental which will be increased from \$6,108.00 per year to \$6,640.00 per year, effective August 1, 2008. The lessee has been notified of this action and is supportive of it.

New lease fee: \$6,640.00

Acres in lease: 640.00

Rental per acre: \$10.38

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

The lessee is insured under the State of Utah Risk Management, which covers liability on this lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **NEXT ASSESSMENT DATE:**

The next assessment date will be August 1, 2011.

Upon recommendation of Mr. Lou Brown, the Director approved the three-year review for SULA 1332.

SPECIAL USE LEASE NO. 1168 (REFUND OF RECLAMATION BOND)

On the Director's Minutes of January 26, 2007, a cash bond in the amount of \$5,000.00 (Check No. 006836) was approved for Rampart Energy Fund LLC, the lessee of record at the time. The lease has since been assigned to Fidelity Exploration & Production Company, 1700 Lincoln Street, Suite 2800, Denver, CO 80203. Fidelity has provided a new reclamation bond in the amount of \$5,000.00, as approved on the Director's Minutes of June 27, 2008. **Rampart Energy Fund has requested a refund of the first \$5,000 bond submitted. The refund should be sent to Rampart Energy Fund LLC, c/o Babcock & Brown Energy, Inc., 1512 Larimer St., Suite 550, Denver, CO 80202, the lessee of record at that time.**

Upon recommendation of Mr. Kurt Higgins, the Director approved the **refund of the original bond in the amount of \$5,000.00 for SULA 1168.**

SALES

ISSUANCE OF AMENDED PATENT

An Amended Patent has been issued. Records should be noted.

PRE SALE NO.: 3477

CERTIFICATE OF SALE NO.: 17458

SALE DATE: December 2, 1914

CERTIFICATE OF SALE DATE: May 29, 1915

PATENT NO.: 15155

PATENT DATE: March 1930

AMENDED PATENT NO.: 15155

AMENDED PATENT DATE: June 17, 2008

An error was discovered in the legal description of the original patent issued in 1930, as fully described in the Director's Minutes of May 30, 2008, Page 20. The error has been corrected and an amended patent has been issued.

ISSUED TO:

THOMAS FRAZIER, GEORGE A. FRAZIER, and FRANK U. FRAZIER
c/o S. Jeff Bridgeforth
SUTHERLAND TITLE COMPANY
920 East Wood Oak Lane, Suite 100
Salt Lake City, UT 84117

LEGAL DESCRIPTION:

Township 9 North, Range 5 East, SLB&M
Tract 107, formerly Section 32

ACRES: 640.00, m/l

COUNTY: Rich

FUND: School

This item was submitted by Ms. Carney for record keeping purposes.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE

THE FOLLOWING SALE HAS BEEN EXECUTED AND PATENT ISSUED FOR:

SUBD 13.0 Villas at Hidden Valley

This transaction has been executed pursuant to Development Lease DEVL 754.0.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 43.0 S, Range 15.0 W, SLBM

PURCHASER:

IVORY SOUTHERN, LLC
3143 SOUTH 840 EAST
SAINT GEORGE, UT 84790

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 4	26418-13-4	06/27/08	19991-13-4	01/31/07	\$17,877.28	\$100.00	0.04	SCH	18

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Amera Musial.

DEVELOPMENT SUBDIVISION SALE

THE FOLLOWING SALE HAS BEEN EXECUTED AND PATENT ISSUED FOR:

SUBD 14.0 Casitas at Hidden Valley

This transaction has been executed pursuant to Development Lease DEVL 754.0.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 7, Township 43.0 S, Range 15.0 W, SLBM

Section 18, Township 43.0 S, Range 15.0 W, SLBM

PURCHASER:

IVORY SOUTHERN, LLC

3143 SOUTH 840 EAST

SAINT GEORGE, UT 84790

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 106	16419-14-106	06/30/08	19990-14-106	01/31/07	\$13,937.48	\$100.00	0.04	SCH	18

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Amera Musial.

CANCELED SPECIAL USE LEASE AGREEMENT NO. 418

SULA 418 terminated absolutely on July 2, 2008, pursuant to Paragraph 13. The lessee failed to pay the annual rental due on June 1, 2008. The Agency sent a written notice of default to the lessee by certified mail on June 2, 2008. The default continued for a period of thirty days and the lessee did not cure the default by paying the annual rental.

Upon recommendation of Elise Erler, the Director approved the cancellation of SULA 418.

DEVELOPMENT LEASE AGREEMENT - DEVL 874 – QUALITY DEVELOPMENT, LLC

AGREEMENT NO.: 874
 PROJECT: Meadow Valley
 PROJECT MANAGER: Douglas O. Buchi
 PROJECT CODE: SOBLK 002 02 001
 FUND: School – 79%
 University – 21%
 COUNTY: Washington
 DATE OF LEASE: June 16, 2008
 LEASE COMMENCEMENT DATE: June 27, 2008
 LEASE TERM: Seven years from Commencement Date
 LEASE PAYMENT: \$100,000.00 by June 27, 2008
 \$100,000.00 by June 27, 2009
 BOARD APPROVED: January 17, 2008

LESSEE:

QUALITY DEVELOPMENT, LLC
 a Utah limited liability company
 113 East 200 North, #2
 Saint George, UT 84770

DESCRIPTION OF TRANSACTION:

Quality Development, LLC plans to develop approximately 194.81 acres of trust lands located in the Meadow Valley area of Washington County. Development is anticipated to proceed in three phases, which will be sold as residential and non-residential lots not less than six thousand (6,000) square feet and not to exceed thirty thousand (30,000) square feet without prior written consent of the Trust. The Trust will be compensated for each phase a base price of Fifty-Nine Thousand Four Hundred Eighty-Seven Dollars (\$59,487.00) per acre plus three percent (3%) (the "Increased Per Acre Value") upon the anniversary of the Commencement Date at the time of Closing. Additionally, the lessee shall pay the Trust an additional payment at the closing of each residential lot sale of two percent (2%) of the difference between the gross selling price and the base price. The base price for residential lots will be as follows: (a) Production Lots base price will be Eighty-Five Thousand Dollars (\$85,000.00) per acre, (b) Custom Lots base price will be One Hundred Thousand Dollars (\$100,00.00) per acre. For non-residential lots, which shall be calculated as though there were 3.3 Production Lots for each acre of Non-Residential Lands sold, the lessee will pay the Trust an additional two percent (2%) of the difference between the gross selling price of the parcel and the base price of Two Hundred Eighty Thousand Five Hundred Dollars (\$280,500.00) per acre, or a proportional amount for a partial acre. The lessee will be responsible for securing all necessary government approvals and the cost of constructing all necessary improvements.

LEGAL DESCRIPTION:

Township 43 South, Range 15 West, SLB&M
 Section 15:

BEGINNING AT SOUTHWEST CORNER OF SECTION 15, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE N 1°10'37" E 2642.19 FEET ALONG THE WEST SECTION LINE TO THE WEST QUARTER CORNER OF SAID SECTION 15; THENCE S 88°44'06" E 2642.05 FEET ALONG THE CENTER SECTION LINE TO THE CENTER 1/4 CORNER OF SAID SECTION 15; THENCE N 1°10'04" E 1318.81 FEET ALONG THE CENTER SECTION LINE OF SAID SECTION 15 TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 15; THENCE S 88°45'49" E 2641.07 FEET ALONG THE NORTH 1/16TH LINE TO THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 15;

DEVELOPMENT LEASE AGREEMENT - DEVL 874 – QUALITY DEVELOPMENT, LLC (CONTINUED)

THENCE S 1°10'59" W 613.20 FEET ALONG THE EAST SECTION LINE OF SAID SECTION 15; THENCE LEAVING SAID SECTION LINE N 88°49'01" W 86.13 FEET; THENCE S 73°33'27" W 225.68 FEET; THENCE S 60°01'57" W 515.50 FEET; THENCE S 39°41'57" W 461.91 FEET; THENCE N 64°18'06" W 414.54 FEET; THENCE S 65°20'17" W 188.56 FEET; THENCE S 44°43'37" W 392.21 FEET; THENCE S 18°49'10" W 489.69 FEET; THENCE S 72°28'59" W 346.48 FEET; THENCE S 36°42'12" W 512.88 FEET; THENCE S 43°33'23" W 668.52 FEET; THENCE N 64°46'00" W 130.32 FEET; THENCE S 66°51'59" W 395.40 FEET; THENCE N 67°21'52" W 257.81 FEET; THENCE S 80°48'11" W 751.95 FEET; THENCE S 34°53'18" W 813.27 FEET; THENCE S 17°54'54" W 140.77 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 15; THENCE N 88°39'55" W 259.55 FEET ALONG SAID SOUTH SECTION LINE TO THE POINT OF BEGINNING.

Contains 194.81 acres, more or less.

TOTAL NUMBER OF ACRES BY COUNTY: 194.81 acres, more or less – Washington County

TOTAL NUMBER OF ACRES BY FUND: 154.81 acres, more or less – School
40.00 acres, more or less – University

Upon recommendation of Douglas O. Buchi, the Director approved this agreement.

RIGHT OF ENTRY 5199 – BEAVER MOUNTAIN – LEGRAND JOHNSON CONSTRUCTION CO.
THE FOLLOWING RIGHT OF ENTRY AGREEMENT HAS BEEN EXECUTED:

RIGHT OF ENTRY NO.:	5199
PROJECT:	Beaver Mountain – Logan Canyon
PROJECT CODE:	BVMNT 000 00
PROJECT MANAGER:	Elise Erler
DATE OF TRANSACTION:	June 1, 2008
COUNTY:	Cache
FUND:	School
COMMENCEMENT:	June 1, 2008
EXPIRATION:	December 31, 2008

PERMITTEE:

Le Grand Johnson Construction Co.
P.O. Box 248
Logan, UT 84323-0248

DESCRIPTION OF TRANSACTION:

Le Grand Johnson Construction Co. (the "Permittee"), requested permission to temporarily occupy two parking lots in Logan Canyon, on the Trust Lands' Beaver Mountain project lands for road construction staging. As consideration for using the parking lots for construction staging, the Permittee shall repair, expand, and spread gravel on the parking lots, as directed by Agency personnel, at a cost that exceeds the cost of the right of entry. The right of entry shall have a term of seven months, commencing on June 1, 2008, and expiring on December 31, 2008.

LEGAL DESCRIPTION:

Township 14 North, Range 4 East, SLB&M
Section 7: SE¼NE¼ (within)

**RIGHT OF ENTRY 5199 – BEAVER MOUNTAIN – LEGRAND JOHNSON CONSTRUCTION CO.
(CONTINUED)**

Township 14 North, Range 4 East, SLB&M

Section 18: NE¼NE¼ (within)

Containing approximately 1.50 acres, more or less.

NUMBER OF ACRES BY COUNTY: 1.50 acres - Cache County

NUMBER OF ACRES BY FUND: 1.50 acres - School

Upon recommendation of Ms. Elise Erler, the Director approved this Right of Entry.

CORRECTION TO DEVELOPMENT SUBDIVISION SALE

In the July 7, 2008, Director's Minutes, Page 17, the **patent number** was reported incorrectly. The correction is bolded below.

SUBD 10.0 Highland Park Phase 1 Subdivision

This transaction has been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 7, Township 42.0 S, Range 14.0 W, SLBM

Section 18, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.

2303 N. CORAL CANYON BLVD., SUITE 200

ST. GEORGE, UT 84780

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 256	26377-10-256	06/16/08	19928-10-256	07/07/06	\$19,933.68	\$20.00	0.28	SCH	7

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Amera Musial.

CORRECTION TO DEVELOPMENT SALE - FORT PIERCE INDUSTRIAL (PS 8191)

IN THE DIRECTOR'S MINUTES OF JULY 7, 2008, PAGES 21 - 23, THE **NUMBER OF ACRES BY COUNTY** AND THE **NUMBER OF ACRES BY FUND** WERE REPORTED INCORRECTLY, AND BOTH ITEMS HAVE BEEN CORRECTED AS SHOWN IN BOLD BELOW:

CERTIFICATE OF SALE NO.:	26312
CERTIFICATE/DATE OF SALE:	June 16, 2008
PATENT NO.:	20030
PATENT DATE:	May 28, 2008
PROJECT:	Fort Pierce Industrial
PROJECT MANAGER:	Doug Buchi
PROJECT CODE:	FPIND 001 00
FUND:	School
SALE PRICE:	\$2,021,050.00

BUYER:

BEEHIVE INDUSTRIAL GROUP, L.C.
a Utah limited liability company
825 West 2400 South
Salt Lake City, UT 84119

FINANCIAL INFORMATION:

At closing, the purchase price has been paid to Ft. Pierce Business Park, L.C., for distribution pursuant to the Operating Agreement dated October 1, 1998, between the Trust Lands Administration and LGJ. The documentation of this transaction is available in the Trust Lands' Planning and Development files.

TRANSACTIONAL CONTEXT:

This sale has been made pursuant to the Operating Agreement for Ft. Pierce Business Park, L.C. (L.C.) of which LGJ, L.C. and the Trust Lands Administration are the sole members (DEVL 21). To finance development, Ft. Pierce Business Park has entered into a loan agreement with the City of St. George and Dixie-Escalante Rural Electric Association, Inc. Twenty-four percent (24.00%) of the sales proceeds, after deducting closing costs and business expenses, are used to service the loan. The balance of the sales revenue is distributed to the members according to their participation in the L.C. (LGJ, L.C. - 30%, Trust Lands Administration - 70%).

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 15 West, SLB&M
Section 20:

Beginning at a point North 88°45'10" West, 2791.32 feet along the Center Section Line and South 0°00'00" East, 760.34 feet from the East Quarter Corner of Section 20, Township 43 South, Range 15 West, Salt Lake Base and Meridian, and running thence North 44°49'02" West, 316.93 feet; thence North 68°08'32" West, 328.92 feet; thence North 30°02'40" East, 716.64 feet; thence South 59°57'20" East, 268.70 feet to the point of a 866.00 foot radius curve to the left; thence Southeasterly through a central angle of 25°57'57" and 392.46 feet along the arc of said curve to the point of a 45.00 foot radius reverse curve to the right; thence Southeasterly through a central angle of 87°10'07" and 68.46 feet along the arc of said curve to a point of tangency; thence South 1°14'50" West, 83.02 feet to the point of a 300.00 foot radius curve to the right; thence Southwesterly through a central angle of 43°56'08" and 230.05 feet along the arc of said curve; thence South 45°10'58" West, 544.48 feet to the point of beginning.

Containing 12.175 acres, more or less.

This property has proposed Lot Number 168. Upon filing of a plat, a formal lot number will be assigned.

CORRECTION TO DEVELOPMENT SALE - FORT PIERCE INDUSTRIAL (PS 8191) (CONTINUED)

NUMBER OF ACRES BY COUNTY: 12.175 acres - Washington County

NUMBER OF ACRES BY FUND: 12.175 acres - School

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, gas, oil, hydrocarbons, and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits as provided by statute.

SURFACE RESERVATIONS:

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for roads, ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Effect of the Covenants, Conditions and Restrictions recorded May 11, 1999, as Entry No. 646930, in Book 1333, at Pages 1234-1244, and Declaration of Annexation thereto recorded December 28, 1999, as Entry No. 671704, in Book 1355, at Page 2295, and Amendment thereto recorded April 5, 2002, as Entry No. 760033, in Book 1459, at Pages 2588-2589, and Second Amendment thereto recorded June 3, 2002, as Entry No. 767360, in Book 1468, at Pages 1358-1370, and Third Amendment thereto recorded June 10, 2005, as Entry No. 950528, in Book 1753, at Pages 1497-1518, and Fourth Amendment thereto recorded May 2, 2006, as Document No. 20060017587, Official Washington County Records (affects this and other property); also,

Subject to a 15.0 foot P.U.E. and drainage easement as set forth and located on FORT PIERCE AREA 'I' STREET DEDICATION PLATS recorded as Entry No. 20060052417, Official Washington County Records (Affects the Northerly and Easterly 15.0 feet); also,

Subject to the following "Notes", Easements, and Information as set forth on the face of the Official Plat of "FORT PIERCE AREA 'I' STREET DEDICATIONS":

- a. A 15.0-foot public utility and drainage easement shall exist along all street frontages as noted and 25.0 feet along the 1630 East street West frontage as noted.
- b. All future parcels being created abutting these roadways are required to have the property corners staked prior to obtaining a building permit.
- c. DRAINAGE NOTE: All lots adjacent a drainage channel, and/or a storm drain system, shall submit a detailed drainage plan prepared by a professional engineer, to protect the structures from flooding during a 100-year flood.
- d. GEOTECHNICAL NOTE: A geotechnical report has been done on this area by GTS Project No. 18106 on February 21, 2005, and report is available from the City of St. George or the Developer. The information is general information and a full geotechnical report should be obtained for each parcel of property at time of development; also,

Subject to and the location of an existing 50.0 foot overhead powerline easement as set forth, located and disclosed on the Official Plat of FORT PIERCE AREA 'I' Street Dedication Map, recorded as Doc. No. 20060052417. (NOTE: Said easement is shown and labeled as both a 25.0 foot and 50.0 foot easement); also,

Subject to Notice of Adoption of the Fort Pierce Community Development Plan, executed by St. George City Redevelopment Agency, recorded November 17, 2006, Doc # 20060053546, Official Washington County Records. (Affects this and other property); also,

CORRECTION TO DEVELOPMENT SALE - FORT PIERCE INDUSTRIAL (PS 8191) (CONTINUED)

Subject to and reserving unto the State of Utah and its assigns: a 10.0 foot wide utilities and drainage easement along the Southwesterly and Northwesterly boundary lines and a 15.00 foot wide utilities and drainage easement along the Northeasterly and Southeasterly boundary lines.

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

This item was submitted by Andrea L. James for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

SURFACE**GRAZING PERMIT NO. 22500 (PARTIAL NON-USE AND CREDIT OF FEES)**

GP 22500 is permitted to Russell Crook, P.O. Box 183, Kanosh, UT 84637. The Trust Lands Administration is requiring Russell Crook to take 44% non-use, due to the Milford Flat Wildfire and subsequent re-seeding, on GP 22500. SITLA, BLM, and UDWR cost-shared to re-seed the trust land sections within the Crook BLM Allotment. A credit of \$209.00 (55 AUMs X \$3.80/AUM) should be applied to GP 22500. The \$20.00 non-use fee will be waived as this is an administrative request. Millard County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the partial non-use and credit of fees for GP 22500.